

Agency Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	39.00	0.00	0.00	39.00	0.00	0.00	39.00	39.00
Personal Services	2,338,073	248,887	175,554	2,762,514	182,787	283,090	2,803,950	5,566,464
Operating Expenses	525,483	41,412	0	566,895	24,617	0	550,100	1,116,995
Total Costs	\$2,863,556	\$290,299	\$175,554	\$3,329,409	\$207,404	\$283,090	\$3,354,050	\$6,683,459
State/Other Special	2,849,155	284,699	175,101	3,308,955	201,804	282,107	3,333,066	6,642,021
Federal Special	14,401	5,600	453	20,454	5,600	983	20,984	41,438
Total Funds	\$2,863,556	\$290,299	\$175,554	\$3,329,409	\$207,404	\$283,090	\$3,354,050	\$6,683,459

Agency Description

The Department of Public Service Regulation (PSR) regulates the operations of public utility and transportation industries that operate in the state. Five commissioners, elected from districts throughout Montana, form the Montana Public Service Commission (PSC) that oversees the PSR. Each commissioner serves a four-year term.

Agency Highlights

Public Service Regulation Major Budget Highlights	
♦	Funding for the agency increases primarily due to statewide present law adjustments to fully fund personal services, exemption of the agency from 4 percent vacancy savings requirements, and the 2009 biennium pay plan

Summary of Legislative Action

The legislative appropriations for the 2009 biennium are \$459,800 and \$483,911 state special revenue greater than the 2006 base budget for FY 2008 and 2009, respectively. Federal funds are \$6,053 and \$6,583 greater than the base budget in FY 2008 and 2009, respectively. Biennial state special revenue increases include:

- Statewide present law adjustments, \$353,185
- Exemption of the agency from 4 percent vacancy savings, \$166,755
- Anticipated retirement costs, \$72,128
- Increased rent and computer replacement, \$39,078
- Matching funds for the federal pipeline safety grant, \$16,800
- Maintenance of membership in National Regulatory Research Institute, \$5,312

The federal funds increase is due to the pipeline safety grant award (\$11,200 for the biennium) and the 2009 biennium pay plan (\$1,426 for the biennium).

Executive Budget Comparison

The following table compares the legislative budget for the 2009 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2006	Executive Budget Fiscal 2008	Legislative Budget Fiscal 2008	Leg – Exec. Difference Fiscal 2008	Executive Budget Fiscal 2009	Legislative Budget Fiscal 2009	Leg – Exec. Difference Fiscal 2009	Biennium Difference Fiscal 08-09
FTE	39.00	39.00	39.00	0.00	39.00	39.00	0.00	
Personal Services	2,338,073	2,586,960	2,762,514	175,554	2,520,860	2,803,950	283,090	458,644
Operating Expenses	525,483	566,895	566,895	0	550,100	550,100	0	0
Total Costs	\$2,863,556	\$3,153,855	\$3,329,409	\$175,554	\$3,070,960	\$3,354,050	\$283,090	\$458,644
State/Other Special	2,849,155	3,133,854	3,308,955	175,101	3,050,959	3,333,066	282,107	457,208
Federal Special	14,401	20,001	20,454	453	20,001	20,984	983	1,436
Total Funds	\$2,863,556	\$3,153,855	\$3,329,409	\$175,554	\$3,070,960	\$3,354,050	\$283,090	\$458,644

The budget approved by the legislature is \$457,208 state special revenue and \$1,436 federal funds greater than the executive request because 4 percent vacancy savings is not applied and the costs of the 2009 biennium pay plan are included.

Funding

Public Service Regulation is funded primarily from a fee that is levied on regulated companies, based on funding appropriated by the legislature for a specific fiscal year. Fees are deposited into a state special revenue account and are based upon a percentage of the gross operating revenue from all activities regulated by the commission for the calendar quarter of operation (69-1-402, MCA). The department also administers a small amount of federal grant funds.

Program Funding Table Public Service Regulation							
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009	
02000 Total State Special Funds	\$ 2,849,155	99.5%	\$ 3,308,955	99.4%	\$ 3,333,066	99.4%	
02281 Public Service Commission	2,849,155	99.5%	3,308,955	99.4%	3,333,066	99.4%	
03000 Total Federal Special Funds	14,401	0.5%	20,454	0.6%	20,984	0.6%	
03011 Natural Gas Safety Pgm	14,401	0.5%	20,454	0.6%	20,984	0.6%	
Grand Total	\$ 2,863,556	100.0%	\$ 3,329,409	100.0%	\$ 3,354,050	100.0%	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget approved by the legislature. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----					-----Fiscal 2009-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					250,501					256,760
Vacancy Savings					(83,262)					(83,493)
Inflation/Deflation					6,737					7,257
Fixed Costs					9,607					(10,922)
Total Statewide Present Law Adjustments					\$183,583					\$169,602
DP 1 - Pay Retirement Benefits	0.00	0	72,128	0	72,128	0.00	0	0	0	0
DP 2 - Match Pipeline Safety Federal Award	0.00	0	8,400	5,600	14,000	0.00	0	8,400	5,600	14,000
DP 4 - Building Rent/Computer Replacement	0.00	0	17,932	0	17,932	0.00	0	21,146	0	21,146
DP 5 - Maintain Membership in NRRI	0.00	0	2,656	0	2,656	0.00	0	2,656	0	2,656
Total Other Present Law Adjustments	0.00	\$0	\$101,116	\$5,600	\$106,716	0.00	\$0	\$32,202	\$5,600	\$37,802
Grand Total All Present Law Adjustments					\$290,299					\$207,404

DP 1 - Pay Retirement Benefits - The legislature provided \$72,128 state special revenue in a restricted, biennial, one-time-only appropriation for staff retirement payouts. The PSC anticipates the retirement of three staff members (approximately 9 percent of staff) who will complete 30 years of service during the next biennium, resulting in leave payouts above normal personal services costs.

DP 2 - Match Pipeline Safety Federal Award - The legislature provided \$8,400 in state special revenue funds and \$5,600 in federal funds in each year of the biennium for the Pipeline Safety Program. The Pipeline Safety Program inspects pipelines and investigates accidents and incidents involving pipelines. This federal grant requires a 60 percent match of state funds. State special revenue is used for the match.

DP 4 - Building Rent/Computer Replacement - The legislature provided state special revenue of \$10,932 in FY 2008 and \$16,646 in FY 2009 to fund a 3 percent per year increase in rent that is included in the rental contract negotiated by the Department of Administration. This decision package also requests \$7,000 in FY 2008 and \$4,500 in FY 2009 to fund replacement of four desktop computers (FY 2008) and one server (FY 2009). The agency indicates that computer equipment replacement is requested based on the four-year replacement cycle recommended by the Information Technology Division of the Department of Administration.

DP 5 - Maintain Membership in NRRI - The legislature provided \$2,656 state special revenue per year to maintain membership in the National Regulatory Research Institute (NRRI). The NRRI serves as the research arm of the National Association of Regulatory Utility Commissioners (NARUC).

New Proposals

New Proposals										
-----Fiscal 2008-----						-----Fiscal 2009-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 70 - Exempt PSR from Vacancy Savings										
01	0.00	0	83,262	0	83,262	0.00	0	83,493	0	83,493
DP 6013 - 2009 Biennium Pay Plan - HB 13										
01	0.00	0	88,951	448	89,399	0.00	0	195,611	978	196,589
DP 6014 - Retirement Employer Contributions - HB 131										
01	0.00	0	2,888	5	2,893	0.00	0	3,003	5	3,008
Total	0.00	\$0	\$175,101	\$453	\$175,554	0.00	\$0	\$282,107	\$983	\$283,090

DP 70 - Exempt PSR from Vacancy Savings - The legislature did not apply vacancy savings to the agency, which results in the addition of state special revenue of \$83,262 in FY 2008 and \$83,493 in FY 2009.

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in FY 2008 and an additional \$36 per month in FY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB 131 - The legislature adopted HB 63 and HB 131, which increases the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.